

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Audit and Governance Committee held at Online via the Zoom app. on 26 November 2020

Attendance list at end of document

The meeting started at 2.30 pm and ended at 3.20 pm

51 Public speaking

There were no members of the public registered to speak.

52 Minutes of the previous meeting

The minutes of the Audit and Governance Committee held on 24 September 2020 were confirmed as a true record.

53 Declarations on interest

None

54 Matters of urgency

None

55 Confidential/exempt item(s)

None

56 Statement of Accounts 2019/20 including Annual Governance Statement

The Strategic Lead Finance advised the committee that the council was likely to be required to restate some of the statements in the draft accounts before members could finally approve them. This related to a technical capital accounting issue in the method that the Major Repair Expenditure was written out of Housing Asset Values. The proposed treatment by the Auditors differed to current practice although this would have no implication on the asset values on the Balance Sheet, or the bottom line Income and Expenditure in terms of the General Fund Balance or the Housing Revenue Account or any usable reserves. He recommended the item be deferred until the audit was finalised as well as that of the letter of representation being signed off at the same time.

RESOLVED:

that the adoption of the 2019/20 Statement of Accounts be deferred until the next Audit and Governance Committee meeting.

57 Letter of representation

The Strategic Lead Finance; as stated in the previous minute, suggested this item be deferred to the next committee meeting.

RESOLVED:

That the signing off of the letter of representation be deferred until the next Audit and Governance Committee meeting.

58 **Audit finding report - Grant Thornton**

Jackson Murray from Grant Thornton summarised the key findings and other matters arising from the statutory audit and the preparation of the Council's financial statements for the year ended 31 March 2020. The audit work was completed remotely during July to November 2020 and he thanked Simon Davey and his team for embracing being electronically audited.

The anticipated audit report opinion would be unqualified but with an Emphasis of Matter paragraph in relation to material uncertainties with regards to the valuation of land and buildings and investment properties, this was a national issue related to the Covid-19 pandemic and the Council followed national guidance from RICS in its valuations.

The Value for Money conclusion had been completed; the risk based review of the Council's value for money arrangements. Grant Thornton concluded that East Devon District Council had proper arrangements to secure economy, efficiency and effectiveness in its use of resources. They therefore anticipated issuing an unqualified value for money conclusion.

RESOLVED:

That the report be received and noted.

59 **Redmond Review of Local Authority Financial Reporting and Audit**

The Strategic Lead Finance informed members that on 8 September 2020 the Government published the results of an independent review, led by Sir Tony Redmond, into the effectiveness of local authority financial reporting and audit. Local authority accounts were complex and the review highlights a number of potential weaknesses with the current local audit framework and makes recommendations to address these. They was a discussion concerning the introduction of an independent member to the committee.

RECOMMENDED to recommend to Council:

1. to note the findings and recommendations of the Redmond Review, the implementation of some of these recommendations would require changes to primary legislation and revised Accounting Codes of Practice, and
2. the appointment of a suitably qualified, independent member the Audit and Governance Committee to support elected representatives in scrutinising local authority finances.

60 **RIPA update**

At the meeting of 18 January 2018, Members agreed to receive an update on RIPA activity throughout the year (Regulation of Investigatory Powers Act). The RIPA Senior Responsible Officer advised that there had been no requests for RIPA authorisation since the last committee. Members asked for a simple written explanation of RIPA to be provided to the Committee at its next meeting this could then be used on the Council's

website to inform the public of the powers available and any recent use made of them; this being in line with some other authorities practice.

61 **Audit and Governance Forward Plan**

Members noted the contents of the Committee Forward Plan for 2020/21.

Items to be considered at the January committee included:

- Statement of Accounts 2019/20 including Annual Governance Statement
- Letter of representation
- Internal Audit Activity – Quarter 3 2020/21
- External Audit Progress report
- External Annual audit letter
- Risk Management review – half year review
- Review of the Anti-Fraud Theft and Corruption Policy, Anti-Bribery Policy and Whistleblowing Policy
- Review of the Local Code of Corporate Governance
- Strata Annual Internal Audit report
- RIPA update and policy review

Attendance List

Councillors present:

S Hawkins (Chair)
D Barrow (Acting Vice-Chair)
J Bailey
F Caygill
S Gazzard
P Hayward
F King
P Twiss

Councillors also present (for some or all the meeting)

P Arnott
P Faithfull
A Moulding

Officers in attendance:

Amanda Coombes, Democratic Services Officer
Simon Davey, Strategic Lead Finance
Steve Johnson, Grant Thornton
Debbie Meakin, Democratic Services Officer
Jackson Murray, Grant Thornton
John Symes, Finance Manager

Councillor apologies:

G Pook

Chairman

Date: